

HOUSE No.

The Commonwealth of Massachusetts



CHARLES D. BAKER
GOVERNOR

OFFICE OF THE GOVERNOR
COMMONWEALTH OF MASSACHUSETTS
STATE HOUSE · BOSTON, MA 02133

KARYN POLITO
LIEUTENANT GOVERNOR

February 12, 2016

To the Honorable Senate and House of Representatives,

I am filing for your consideration a bill entitled “An Act Financing Improvements to Municipal Roads and Bridges.”

This bill authorizes the Commonwealth to borrow \$200 million to fund improvements to municipally-owned roads and bridges. It also authorizes borrowing for a new, separate \$50 million program dedicated exclusively to small bridges, and for federally-aided projects to ensure continuity in the Department of Transportation’s capital program.

This bill also proposes to exclude from the statutory debt limit any borrowing undertaken to support the Rail Enhancement Program authorized by the Legislature in 2014. This will make the Rail Enhancement Program consistent with the Accelerated Bridge Program, a similarly-designed authorization with an identical provision.

Finally, the bill includes various other technical adjustments that are necessary to enable our capital program to continue in an efficient manner.

Prompt passage of this legislation will ensure that the Commonwealth’s roads and bridges can continue on their path to a state of good repair. Accordingly, I urge you to enact this legislation promptly.

Respectfully submitted,
Charles D. Baker,
Governor

HOUSE No.

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In the One Hundred and Eighty-Ninth General Court
(2015-2016)

An Act financing improvements to municipal roads and bridges.

Whereas, The deferred operation of this act would tend to defeat its purpose, which is to finance improvements to the commonwealth's transportation system, , therefore, it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. To provide for a program of transportation development and improvements,
2 the sums set forth in sections 2 to 2B, inclusive, for the several purposes and subject to the
3 conditions specified in this act, are hereby made available, subject to the laws regulating the
4 disbursement of public funds. The sums made available in this act shall be in addition to any
5 amounts previously appropriated or made available for these purposes.

6 SECTION 2.

7 MASSACHUSETTS DEPARTMENT OF TRANSPORTATION

8 Highway Division

9 6121-1714. For projects on the interstate and non-interstate federal highway system;
10 provided, that funds may be expended for the costs of these projects including, but not limited to,

the nonparticipating portions of these projects and the costs of engineering and other services essential to these projects; provided further, that notwithstanding this act or any other general or special law to the contrary, the department shall not enter into any obligations for projects which are eligible to receive federal funds under this act unless state matching funds exist which have been specifically authorized and are sufficient to fully fund the corresponding state portion of the federal commitment to fund these obligations; and provided, further, that the department shall only enter into obligations for projects under this act based upon a prior or anticipated future commitment of federal funds and the availability of corresponding state funding authorized and appropriated for this use by the general court for the class and category of project for which this obligation applies..... \$750,000,000

SECTION 2A.

MASSACHUSETTS DEPARTMENT OF TRANSPORTATION

Highway Division

6122-1724. For the construction and reconstruction of municipal ways as described in clause (b) of the second paragraph of section 4 of chapter 6C of the General Laws; provided, that a city or town shall comply with the procedures established by the Massachusetts Department of Transportation; provided further, that a city or town may appropriate for these projects amounts not in excess of the amount provided to the city or town under this item, preliminary notice of which shall be provided by the department to the city or town not later than April 1 of each year; provided further, that the appropriation shall be considered as an available fund upon approval of the commissioner of revenue under section 23 of chapter 59 of the General Laws; and provided further, that the commonwealth shall reimburse a city or town under this item, subject to the

availability of funds as provided in section 9G of chapter 29 of the General Laws, within 30 days after receipt by the department of a request for reimbursement from the city or town, which request shall include certification by the city or town that actual expenses have been incurred on projects eligible for reimbursement under this item and that the work has been completed to the satisfaction of the city or town according to the specifications of the project and in compliance with applicable laws and procedures established by the department..... \$200,000,000

SECTION 2B.

MASSACHUSETTS DEPARTMENT OF TRANSPORTATION

Highway Division

6121-1718. For the design, construction, preservation, reconstruction and repair of or improvements to nonfederally-aided bridges and approaches with span lengths no greater than 20 feet; provided, that expenditures from this item may include the costs of engineering, design, permitting and other services essential to these projects; provided further, that a city or town shall comply with the procedures established by the Massachusetts Department of Transportation with respect to the Small Bridge Program, so-called; provided, further, that the department shall only enter into obligations for projects under this item based upon a prior or anticipated future commitment of funds from one or more cities or towns in which such project is located or which is or are otherwise served by such project, and the availability of corresponding municipal funding authorized for use in connection with such project for which the obligation applies; and provided further that no amounts appropriated under this item shall be expended for bridges or approaches owned by or under the control of the Massachusetts Department of Transportation or the Massachusetts Bay Transportation Authority.....\$50,000,000

SECTION 3. To meet a portion of the expenditures necessary in carrying out section 2, the state treasurer shall, upon request of the governor, issue and sell bonds of the commonwealth in an amount to be specified by the governor from time to time but not exceeding, in the aggregate, \$135,000,000. All bonds issued by the commonwealth as aforesaid shall be designated on their face, Transportation Improvement Loan Act of 2016, and shall be issued for a maximum term of years, not exceeding 30 years, as the governor herein recommends to the general court under section 3 of Article LXII of the Amendments to the Constitution; provided, however, that all such bonds shall be payable not later than June 30, 2051. All interest and payments on account of principal on such obligations shall be payable from the Commonwealth Transportation Fund. Bonds and interest thereon issued under this section shall be general obligations of the commonwealth.

SECTION 4. To meet the expenditures necessary in carrying out section 2A, the state treasurer shall, upon request of the governor, issue and sell bonds of the commonwealth in an amount to be specified by the governor from time to time but not exceeding, in the aggregate, the sum of \$200,000,000. All bonds issued by the commonwealth as aforesaid shall be designated on their face, Municipal Ways Act of 2016, and shall be issued for a maximum term of years, not exceeding 30 years, as the governor herein recommends to the general court under Section 3 of Article LXII of the Amendments to the Constitution; provided, however, that all such bonds shall be payable not later than June 30, 2051. All interest and payments on account of principal on these obligations shall be payable from the General Fund. Notwithstanding any other general or special law to the contrary, bonds issued under this section and interest thereon shall be general obligations of the commonwealth.

77 SECTION 5. To meet the expenditures necessary in carrying out section 2B, the state
78 treasurer shall, upon request of the governor, issue and sell bonds of the commonwealth in an
79 amount to be specified by the governor from time to time but not exceeding, in the aggregate,
80 \$50,000,000. All bonds issued by the commonwealth as aforesaid shall be designated on their
81 face, Small Bridge Preservation and Improvement Act of 2016, and shall be issued for a
82 maximum term of years, not exceeding 30 years, as the governor herein recommends to the
83 general court under section 3 of Article LXII of the Amendments to the Constitution; provided,
84 however, that all such bonds shall be payable not later than June 30, 2051. All interest and
85 payments on account of principal on such obligations shall be payable from the Commonwealth
86 Transportation Fund. Bonds and interest thereon issued under this section shall be general
87 obligations of the commonwealth.

88 SECTION 6. Notwithstanding any general or special law to the contrary, all construction
89 contracts funded in whole or in part by the funds authorized in section 2A of this act shall
90 include a price adjustment clause for each of the following: fuel, including both diesel and
91 gasoline; asphalt; concrete; and steel. A base price for each material shall be set by the awarding
92 authority or agency and included in the bid documents at the time a project is advertised. The
93 awarding authority or agency shall also identify in the bid documents the price index to be used
94 for each material and supply. The adjustment clause shall provide for a contract adjustment to be
95 made on a monthly basis when the monthly cost change exceeds plus or minus 5 per cent.

96 SECTION 7. Notwithstanding any general or special law to the contrary, the bonds that
97 the state treasurer may issue pursuant to sections 3, 4 and 5 of this act shall be issued for a term
98 not to exceed 30 years. All such bonds shall be payable not later than June 30, 2051, pursuant to
99 Section 3 of Article LXII of the Amendments to the Constitution.

100 SECTION 8. The General Laws are hereby amended by striking out chapter 90I, as
101 appearing in the 2014 Official Edition, and inserting in place thereof the following chapter:-

102 Chapter 90I

103 Complete Streets Program

104 Section 1. As used in this chapter, the following words, unless the context clearly
105 requires otherwise, shall have the following meanings:-

106 “Complete streets”, shall mean streets that provide accommodations for users of all
107 transportation modes including, but not limited to, walking, cycling, public transportation,
108 automobiles and freight.

109 “Department”, shall mean the Massachusetts Department of Transportation.

110 “Program”, shall mean the complete streets program under this chapter.

111 Section 2. There shall be within the department a complete streets grant program to
112 encourage municipalities to regularly and routinely include complete streets design elements and
113 infrastructure on locally-funded roads.

114 Section 3. In order to be designated as eligible to receive grant funding pursuant to the
115 program, a municipality shall: (a) apply with the department in a form and manner prescribed by
116 the department; (b) ensure that a municipal employee participates in a department training for
117 the program; (c) develop a complete streets prioritization plan; and (d) comply with other
118 requirements of the department.

Section 4. The department may adopt rules, regulations and guidelines for the administration of this chapter including, but not limited to, criteria for awarding grants under the program, application procedures, and other requirements.

SECTION 9. Section 2A of chapter 79 of the acts of 2014 is hereby amended by striking out item 6121-1318 and inserting in place thereof the following item:-

6121-1318 For the complete streets grant program established pursuant to chapter 90I of the General Laws to be disbursed in the form of grants to certified cities and towns for infrastructure and planning; provided, that not less than 33 per cent of the grants awarded shall be issued to cities and towns with a median household income below the commonwealth average..... \$50,000,000

SECTION 10. Said chapter 79 is hereby further amended by inserting after section 41 the following new section:-

Section 41½. Notwithstanding any general or special law to the contrary, bonds or notes issued under section 20 shall not be included in the computation of outstanding bonds for purposes of the limit imposed by the second paragraph of section 60A of chapter 29 of the General Laws, nor shall debt service with respect to these bonds and notes be included in the computation of the limit imposed by section 60B of said chapter 29.

SECTION 11. Section 6 of chapter 257 of the acts of 2014 is hereby amended by striking out subsection (b) and inserting in place thereof the following subsection:-

(b) All interest and payments on account of principal of these obligations shall be payable solely from the State Lottery and Gaming Fund. Bonds and interest thereon issued under this

section shall be general obligations of the commonwealth; provided, however, that any bonds issued by the state treasurer under this section, upon the request of the governor, may be issued as special obligation bonds pursuant to section 20 of chapter 29 of the General Laws; provided further, that in deciding whether to request the issuance of particular bonds as special obligations, the governor shall take into account: (1) generally prevailing financial market conditions; (2) the impact of each approach on the overall capital financing plans and needs of the commonwealth; (3) any ratings assigned to outstanding bonds of the commonwealth and any ratings expected to be assigned by any nationally-recognized credit rating agency to the bonds proposed to be issued; and (4) any applicable provisions of a trust agreement or credit enhancement agreement entered into pursuant to section 20 of said chapter 29. Bonds issued under the authority of this section shall be excluded from the debt limit established in section 60A of chapter 29 of the General Laws.

SECTION 12. Section 2 of chapter 286 of the Acts of 2014 is hereby amended by striking out item 6720-1336.

SECTION 13. Said section 2 of said chapter 286 is hereby further amended by inserting after the header "MASSACHUSETTS DEPARTMENT OF TRANSPORTATION, Office of the Secretary" the following item:-

6720-1336 For purposes of protection of the ecological integrity of buffer zones along the highway mitigating the negative impacts of sound, air pollution, storm water drainage and flooding; provided, that not less than \$110,000 shall be expended by the Massachusetts Department of Transportation to purchase certain parcels of land in the town of Needham

adjacent to the state highway route 128 on Greendale avenue between Brookline street and Broad
Meadow road..... \$110,000

SECTION 14. Section 2A of said chapter 286 is hereby amended by striking out item
6720-1350.

SECTION 15. Said chapter 286 is hereby further amended by inserting, after section 2G,
the following new section:-

Section 2H.

EXECUTIVE OFFICE FOR HOUSING AND ECONOMIC DEVELOPMENT

Office of the Secretary

7002-1350 For improvements to coastal facilities in designated and non-designated
port areas, including those defined in chapter 21F of the General Laws, section 63 of chapter 91
of the General Laws, 301 C.M.R 25 and 312 C.M.R 2.00; provided, that such improvements
shall be administered by the seaport advisory council through the continuation of a grant
program; provided further, that such improvements may include, but shall not be limited to,
construction, reconstruction, rehabilitation, expanding, replacing and improving public facilities,
piers, wharves, boardwalks, berths, fenders, bulkheads and other harbor and waterfront facilities;
provided further, that \$20,000,000 shall be expended on capital improvements to the state pier
facility in the city of Fall River, including, but not limited to, the construction of the south basin
of the state pier facility, the rehabilitation and replacement of all marine structures for Battleship
Cove in the port of Fall River; commercial fishing improvements, commercial marine
transportation improvements and other capital improvements related to economic development

182 within the port of Fall River; and provided further, that \$7,500,000 shall be expended for the
183 redevelopment of city pier in the city of Fall River, including, but not limited to, permitting,
184 capping of site, stabilization of existing seawalls and construction of a public marina and
185 associated amenities; provided further, that not less than \$25,000,000 shall be expended on
186 capital improvements to the state pier facility in the city of New Bedford, which improvements
187 shall be made to further economic development within the port of New Bedford; projects may
188 include, but shall not be limited to, a multi-use facility for water-dependent cargo, commercial
189 fishing improvements, commercial marine transportation improvements, marine educational
190 facilities, a fresh produce and fish market and capital improvements related to tourism, public
191 recreation and other economic development within the port of New Bedford; provided further,
192 that not less than \$3,200,000 be expended for central waterfront bulkhead repairs for the port of
193 Newburyport; provided further, that \$9,000,000 shall be expended for the design, permitting and
194 construction, including pertinent dredging, for the reintroduction of an ocean pier at the Revere
195 Beach Reservation..... \$149,700,000

196 SECTION 16. Section 37 of said chapter 286 is hereby amended by striking out the
197 words, “and 6720-1335” and inserting in place thereof the following words:-6720-1335 and
198 7002-1350..

199 SECTION 17. Said section 37 of said chapter 286 is hereby further amended by striking
200 out the figure, “\$292,810,000” and inserting in place thereof the following figure:-
201 \$442,510,000.

202 SECTION 18. Appropriations made pursuant to sections 2 and 2B shall be available for
203 expenditure in the 10 fiscal years following June 30 of the calendar year in which the

appropriation is made and any portion of such appropriation representing encumbrances outstanding on the records of the state comptroller's office at the close of the tenth fiscal year may be applied to the payment thereof any time thereafter. The unencumbered balance shall revert to the commonwealth at the close of the fourth fiscal year.

SECTION 19. Notwithstanding any general or special law to the contrary, in carrying out this act, the Massachusetts Department of Transportation may enter into contracts, agreements or transactions that may be appropriate with other federal, state, local or regional public agencies or authorities. The contracts, agreements or transactions may relate to such matters as the department shall determine including, without limitation, the research, design, layout, construction, reconstruction or management of construction of all or a portion of these projects. In relation to any such contracts, agreements or transactions, the department may advance monies to such agencies or authorities, without prior expenditure by the agencies or authorities, and the agencies and authorities may accept monies necessary to carry out these agreements; provided, however, the department shall certify to the comptroller the amounts so advanced and these agreements shall contain provisions satisfactory to the department for the accounting of monies expended by any other agency or authority. All monies not expended under these contracts, agreements or transactions shall be credited to the account of the department from which they were advanced.